

AR38

District Trust

1979 Annual Report



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*Clockwise starting at lower left:
B.I. Baldwin, J.A. McNee, Dick Corner,
W.J. Amos, G.A. Mackay, Q.C., N.G. Burdick,
R.C. Allen, R.R. Bobbie, J.H. Stringham,
J.B. Nash and R.J. Hare. Absent: F.P. Schneider*

*Left to right: Thomas J. Leathong
John F. Visser, R.C. Allen,
Ronald R. Bobbie and Peter L. Eudoxie*

OFFICERS

| | |
|---|------------------------|
| Chairman of the Board | Norman G. Burdick |
| President and General Manager | Robert C. Allen |
| Vice-President and Assistant General Manager | Ronald R. Bobbie, C.A. |
| Vice-President, Branches | John F. Visser |
| Vice-President, Mortgages | Thomas J. Leathong |
| Treasurer | Peter L. Eudoxie |
| Secretary | Gordon A. Mackay, Q.C. |
| Assistant Secretary | Jean N. Maybrey |

DIRECTORS

Robert C. Allen, President and General Manager,
District Trust Company London, Ontario

William J. Amos, President, William J. Amos
Insurance Agency Limited Parkhill, Ontario

Bentley I. Baldwin, Honorary Chairman of the Board,
District Trust Company London, Ontario

Ronald R. Bobbie, C.A., Vice-President and Assistant
General Manager, District Trust Company
London, Ontario

Norman G. Burdick, Vice-President and General
Manager, Kingsmill's Limited London, Ontario

Dick Corner, Chairman of the Board, Canpac
Agriproducts Limited Elmira, Ontario

Robert J. Hare, Solicitor
Kitchener, Ontario

Gordon A. Mackay, Q.C., Senior Partner, Mackay,
Kirvan, Guy Kitchener, Ontario

John A. McNee, President, Adam-McNee Limited
London, Ontario

John B. Nash, President, John A. Nash & Son, Limited
London, Ontario

Frederick P. Schneider, Chairman of the Board,
Schneider Corporation Kitchener, Ontario

James H. Stringham, Senior Executive Vice-President,
Ralston Purina of Canada Limited Brampton, Ontario

HIGHLIGHTS AT A GLANCE

| | 1979 | 1978 | Percentage Change |
|---|---------------|---------------|----------------------|
| OPERATING RESULTS | | | |
| Total revenue | \$ 20,407,395 | \$ 17,070,341 | + 20% |
| Interest paid on deposits | 15,719,422 | 12,210,249 | + 29% |
| Other operating expenses | 3,997,009 | 4,004,966 | + 0% |
| Income before taxes and extraordinary item | 1,536,114 | 1,048,033 | + 47% |
| Net income before extraordinary item | 1,281,457 | 1,029,881 | + 24% |
| Net income including extraordinary item | \$ 1,435,012 | \$ 2,442,938 | -41% |
| PER SHARE | | | |
| Net income before extraordinary item | 49¢ | 39¢ | + 24% |
| Net income including extraordinary item | 55¢ | 94¢ | -41% |
| Dividends paid - regular | 30¢ | 30¢ | |
| - special | 25¢ | | |
| BALANCE SHEET SUMMARY | | | |
| Mortgages and other loans | \$176,920,955 | \$137,398,063 | + 29% |
| Total assets | 215,595,867 | 173,261,335 | + 24% |
| Savings and chequing account deposits | 27,318,730 | 16,374,060 | + 67% |
| Total deposits | \$191,719,884 | \$148,948,925 | + 29% |

REPORT TO SHAREHOLDERS

The Company's achievements during the 1979 fiscal year are impressive, especially when viewed against a backdrop of unprecedented instability in our economy.

Total assets surpassed \$215 million, an increase of 24%. Taking into account those assets held in a fiduciary capacity, the Company now has assets under administration broaching one-quarter of a billion dollars. Expanding on the components of our asset base, the mortgage portfolio grew by a very gratifying 27% to over \$172 million. Personal loans and Loans on Securities combined show a 200% increase to \$4.4 million, reflecting our intent to diversify the loans portfolio.

Deposits from the public are an integral part of operations and we are pleased with the increase over 1978 of nearly \$43 million or 29%. Worthy of special comment are Demand or Savings Deposits which are now in excess of \$27 million, an increase of 67%. These comprise over 14% of total deposits. Our Guaranteed Retirement Savings Deposits recorded a 50% growth to over \$40 million.

Income before taxes and extraordinary items rose by 47% to \$1,536,114. More detailed comparisons appear elsewhere in this Annual Report.

In September 1979 four District Trust directors, Messrs. R. C. Allen, B. I. Baldwin, N. G. Burdick and J. A. McNee, made a purchase offer of \$9 cash per share to all shareholders. As was explained in the offering circular, the purpose of the offer was to broaden the shareholder base of the Company by dividing large tendered lots of shares into substantially smaller blocks by accepting subscriptions from friends and associates. This goal was accomplished. We were pleased that the large majority of shareholders elected to retain their shares, and we welcome the many new shareholders who invested in District Trust during this period.

In June of 1979 we were saddened by the sudden death of William E. Vance, Manager, Personal Loans Division. Mr. Vance was a valued member of the District Trust Management Group, and we will certainly miss his contribution to the affairs of the Company.

At our annual Shareholders' Meeting in April 1979, Messrs. Ronald R. Bobbie and Dick Corner were elected to the Board of Directors; Messrs. Harvey M. Romoff and Robert A. Schultz did not stand for re-

election. In December 1979, Mr. Terry C. Uptigrove resigned from the Board due to conflicting business commitments. We welcome our new Directors, and we express again our gratitude to our retiring Directors for their efforts on behalf of District Trust over the years.

It is unfortunate that our operations must be conducted in an atmosphere of political and economic instability. Interest rates have reached extraordinary levels; the anticipated downturn in rates is not yet at hand, and current indications are that the decline will only be moderate. Nonetheless, our continued emphasis on diversification and matching of borrowing and lending terms will enable District Trust to prosper.

On behalf of the Board of Directors, we wish to express our appreciation to all employees for their loyal and conscientious service to the Company during the past year.

N. G. Burdick
Chairman of the Board

R. C. Allen
President and General Manager



SERVICE HIGHLIGHTS

District Trust offers a full range of services through our 12 Ontario locations. Some of these services are unique to District, and all reflect a dedication to provide our customers with "the best" combination of interest rates and terms available. Here are a few of the services offered at our branches. (Savings accounts are not yet available at Kitchener and Brantford.)



MORTGAGES

Mortgage loans have always been District Trust's largest investment. We offer very competitive interest rates and prompt service on all types of mortgages, including wrap-around loans. Construction loans, conventional residential and commercial loans, interim financing, NHA and CMHC loans, and insured "high ratio" loans are available. Various repayment plans can be arranged, including open privileges and one through five year terms.

DAILY INTEREST

Our innovative Super Savings account pays and compounds interest **daily** at premium rates; each day's **interest** begins to **earn** interest the next day! (Our slogan describes it as "more interest, more often".) A minimum balance of \$1,000 is required. After the account has been open for 30 days, deposits and withdrawals may be made at any date; interest is calculated on the account balance **each day**. Super Savings is ideal for small businesses and individuals with active account balances who want to earn the maximum amount of interest on their savings.



55 PLUS

This is an all-in-one account for people 55 years of age or older. It offers savings interest at a premium rate **plus** free chequing **plus** half-price safety deposit box rental **plus** reduced commissions on traveller's cheque purchases **plus** an initial supply of personalized cheques free — all together in one account.

GUARANTEED RSP

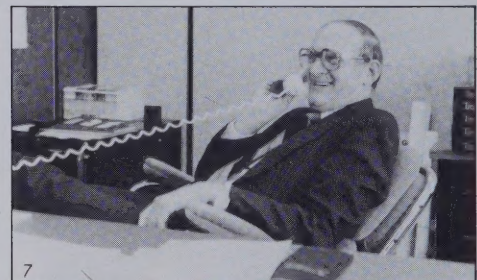
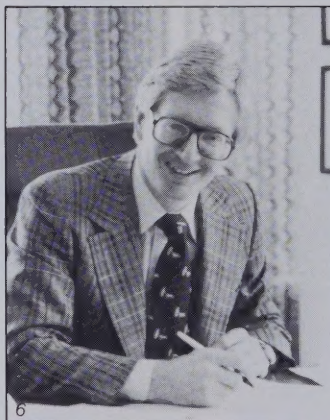
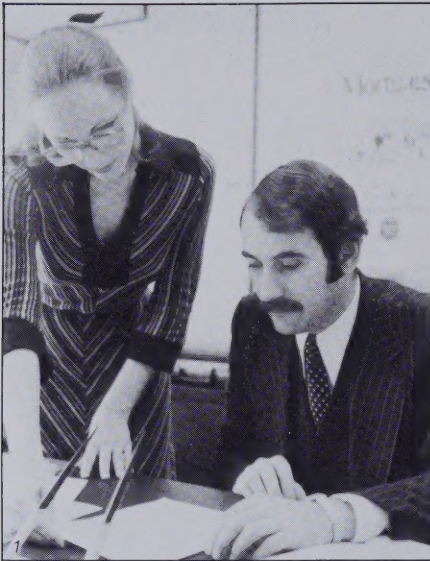
The Guaranteed Fund of the District Trust Registered Retirement Savings Plan offers a unique combination of guaranteed interest and liquidity. Interest from the date of deposit is guaranteed for five years. There are no fees, except for a small redemption charge upon withdrawal. Only 101 days notice of withdrawal or transfer is required, with no interest rate penalty.



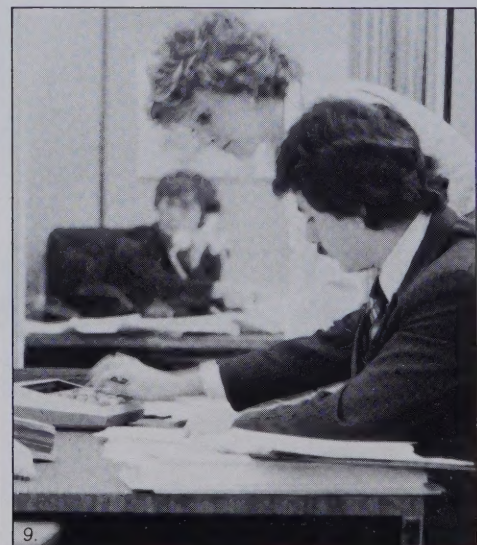
PERSONAL LOANS

We can provide a personal loan for any good reason — a car, travel, investment — at competitive rates. Floating rate collateral loans secured by stocks, bonds, or other investments are also available.





1. Elizabeth Ramakers, Thomas J. Leathong
2. Robert D. Dykeman, John Harkness
3. Peter L. Eudoxie, Linda Deans
4. Jean Maybrey
5. Head Office Accounting/Mortgage Department
6. Ronald R. Bobbie
7. John F. Visser
8. Lynne Fell
9. Elizabeth Fletcher, Linda Deans, Dale Bock





AUDITED FINANCIAL STATEMENTS

DISTRICT TRUST COMPANY

(Incorporated under the laws of Ontario)

CONSOLIDATED BALANCE SHEET AS AT OCTOBER 31, 1979

| ASSETS | 1979 | 1978 |
|--|----------------------|---------------|
| Loans | | |
| Mortgages | \$172,487,556 | \$135,924,452 |
| Loans on securities | 2,158,188 | 751,818 |
| Personal loans | 2,275,211 | 721,793 |
| | 176,920,955 | 137,398,063 |
| Cash and term deposits | 8,088,395 | 6,955,206 |
| Securities (note 2) | 15,731,338 | 12,727,525 |
| Income taxes recoverable | 37,876 | 76,585 |
| Income producing real estate and land held for development (note 3) | 13,647,632 | 14,168,899 |
| Investment in partnership and other companies (note 4) | 110,827 | 924,872 |
| Leasehold improvements and equipment | 325,588 | 262,307 |
| Other | 733,256 | 747,878 |
| | \$215,595,867 | \$173,261,335 |

| LIABILITIES | 1979 | 1978 |
|---|-----------------------------|----------------------|
| Deposits and borrowings | | |
| Demand deposits | \$ 27,318,730 | \$ 16,374,060 |
| Short term certificates | 10,002,393 | 2,444,492 |
| Guaranteed retirement savings plan deposits | 40,181,375 | 26,739,839 |
| Guaranteed investment certificates | 114,217,386 | 103,390,534 |
| | <u>191,719,884</u> | <u>148,948,925</u> |
| Other liabilities | | |
| Accounts payable and accrued liabilities | 717,855 | 751,481 |
| Mortgages payable | 6,205,839 | 6,925,411 |
| | <u>6,923,694</u> | <u>7,676,892</u> |
| Deferred income taxes (note 5) | 2,305,651 | 1,970,151 |
| Interest of minority shareholders in subsidiary company | <u>68,218</u> | <u>68,218</u> |
| SHAREHOLDERS' EQUITY | | |
| Capital stock (note 6) | 4,709,023 | 4,709,023 |
| Retained earnings | 5,819,722 | 5,768,745 |
| Excess of appraised value of real property over depreciated cost | 4,049,675 | 4,119,381 |
| | <u>14,578,420</u> | <u>14,597,149</u> |
| | <u>\$215,595,867</u> | <u>\$173,261,335</u> |

Approved by the Board
R. C. Allen, Director
R. R. Bobbie, Director

DISTRICT TRUST COMPANY

CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED OCTOBER 31, 1979

| | 1979 | 1978 |
|--|---------------------|--------------|
| Revenue | | |
| Mortgages and other loans | \$16,350,692 | \$13,364,277 |
| Investment securities | 2,323,306 | 1,598,974 |
| Fees and commissions | 392,421 | 300,297 |
| Investment properties | 1,284,488 | 1,779,245 |
| Other | 56,488 | 27,548 |
| | 20,407,395 | 17,070,341 |
| Expense | | |
| Interest on deposits and borrowings | 15,719,422 | 12,210,249 |
| Salaries and staff benefits | 1,535,499 | 1,472,721 |
| Investment properties | 871,676 | 1,146,685 |
| Administrative | 1,254,248 | 1,108,790 |
| Premises | 335,586 | 276,770 |
| | 19,716,431 | 16,215,215 |
| | 690,964 | 855,126 |
| Gain on sale of securities and other assets | 940,150 | 418,897 |
| Mortgage losses | (95,000) | (400,000) |
| Equity in income of International By-Products Limited | | 174,010 |
| Income before income taxes and extraordinary item | 1,536,114 | 1,048,033 |
| Income taxes (note 5) | | |
| Current (recoverable) | (80,843) | (121,048) |
| Deferred | 335,500 | 139,200 |
| | 254,657 | 18,152 |
| Income before extraordinary item | 1,281,457 | 1,029,881 |
| Gain on sale of income producing real estate, net of related income taxes of \$63,309 (1978 - \$684,000) | 153,555 | 1,413,057 |
| NET INCOME | \$1,435,012 | \$2,442,938 |
| EARNINGS PER SHARE | | |
| Income before extraordinary item | \$.49 | \$.39 |
| Net income | \$.55 | \$.94 |

DISTRICT TRUST COMPANY

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

YEAR ENDED OCTOBER 31, 1979

| | 1979 | 1978 |
|--|--------------------|-------------|
| BALANCE AT BEGINNING OF YEAR | \$5,768,745 | \$1,782,781 |
| Net income | 1,435,012 | 2,442,938 |
| Appraisal increment realized on sale of real estate | 46,455 | 2,323,296 |
| | 7,250,212 | 6,549,015 |
| Dividend distributed by means of shares of International By-Products Limited (note 7) | 650,220 | |
| Dividends | 780,270 | 780,270 |
| | 1,430,490 | 780,270 |
| BALANCE AT END OF YEAR | \$5,819,722 | \$5,768,745 |

AUDITORS' REPORT

To the Shareholders of District Trust Company

We have examined the consolidated balance sheet of District Trust Company as at October 31, 1979 and the consolidated statements of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at October 31, 1979 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We further report that certain assets of the company do not qualify as investments under the provisions of The Loan and Trust Corporations Act (see note 9).

London, Canada
December 11, 1979

Shorne Riddell & Co.

Chartered Accountants

DISTRICT TRUST COMPANY
**NOTES TO CONSOLIDATED
 FINANCIAL STATEMENTS**
 YEAR ENDED OCTOBER 31, 1979

1. ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include the accounts of District Trust Company, District Development Corporation Limited, Allcross Enterprises Limited and Glenridge Shopping Centre.

(b) Loans and receivables

Mortgages are stated at cost, which includes amounts advanced, accrued interest, and other charges, less repayments. Mortgages, to the extent that they are uncollectible, have been written off. The amount of accumulated payments by mortgagors to District Trust Company in respect of property taxes, net of such taxes paid by the company, is included in "Accounts payable and accrued liabilities".

Other loans and receivables are stated at cost plus accrued interest less repayments.

(c) Securities

Bonds and stocks are stated at cost plus accrued income.

(d) Income producing real estate and land held for development

Land, buildings and improvements held by the companies at December 1, 1975 are stated at appraised values established by accredited appraisers. The excess of these values over depreciated cost as recorded in the accounts at December 1, 1975 is included as part of shareholders' equity and, upon realization through dispositions, the appropriate portion is transferred to retained earnings net of related income taxes.

Land and buildings acquired subsequent to December 1, 1975 are stated at cost.

The companies follow the policy of capitalizing as land held for development such direct carrying costs as mortgage interest, financing costs, realty taxes and other costs less rental incomes which pertain to such properties.

(e) Leasehold improvements and equipment

Leasehold improvements and equipment used in the companies' operations are stated at cost less accumulated depreciation.

(f) Depreciation

The companies record depreciation of the cost or appraised value of buildings on a forty year sinking fund basis over their estimated useful lives. Under this method, depreciation is charged in a series of annual instalments increasing at the rate of 5% compounded annually and will result in a

substantially higher depreciation charge in later years.

Improvements are being depreciated by the straight-line method over 10 years from December 1, 1975 or dates of acquisition, if later, on the basis of appraised values or cost.

Depreciation of equipment is being determined by the straight-line method using annual rates of 10% or 20% applied to historical cost. Leasehold improvements are being depreciated by the straight-line method over the term of the leases plus the first renewal option period.

(g) Investment in partnership

The company's one-half interest in the partnership, Edinburgh Shopping Centre, is carried at cost plus the company's share of income less drawings plus one-half of the increase in appraised values over depreciated cost of land and buildings as determined by the appraisals referred to in note 1(d).

(h) Other

Fees from estate, trust and agency accounts are recorded using the accrual basis of accounting. Securities and other property held by the trust department in a fiduciary or agency capacity are not included as assets in the consolidated balance sheet.

2. SECURITIES

| | 1979 | | 1978 | |
|----------------------|---------------------|---------------------|---------------------|---------------------|
| | Book Value | Market | Book Value | Market |
| Bonds | | | | |
| Government of Canada | \$ 2,988,526 | \$ 2,646,180 | \$ 1,499,549 | \$ 1,412,411 |
| Provinces of | | | | |
| Canada | 653,700 | 473,530 | 653,700 | 525,557 |
| Municipal | 125,835 | 92,700 | 125,835 | 101,856 |
| Other | 595,416 | 388,575 | 601,579 | 516,523 |
| | <u>4,363,477</u> | <u>3,600,985</u> | <u>2,880,663</u> | <u>2,556,347</u> |
| Stocks | 11,367,861 | 10,777,942 | 9,846,862 | 10,772,172 |
| | <u>\$15,731,338</u> | <u>\$14,378,927</u> | <u>\$12,727,525</u> | <u>\$13,328,519</u> |

DISTRICT TRUST COMPANY

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS (Continued)**

YEAR ENDED OCTOBER 31, 1979

**3. INCOME PRODUCING REAL ESTATE AND LAND HELD FOR
DEVELOPMENT**

| | 1979 | | 1978 | |
|------------------------------------|-------------------------------|-----------------------------|--------------|--------------|
| | Cost or appraised value | Accumulated depreciation | Net | Net |
| Land | \$ 3,030,267 | | \$3,030,267 | \$ 3,393,468 |
| Buildings and improve- ments | 7,175,689 | \$554,422 | 6,621,267 | 6,845,535 |
| Equipment | 20,706 | 7,333 | 13,373 | 26,188 |
| | 10,226,662 | 561,755 | 9,664,907 | 10,265,191 |
| Land held for develop- ment | 3,982,725 | | 3,982,725 | 3,903,708 |
| | \$14,209,387 | \$561,755 | \$13,647,632 | \$14,168,899 |

4. INVESTMENT IN PARTNERSHIP AND OTHER COMPANIES

| | 1979 | 1978 |
|-----------------------------------|-----------|-----------|
| Edinburgh Shopping Centre | | |
| Partnership interest 50% | \$ 70,455 | \$ 78,064 |
| Appraisal increment | 40,372 | 40,372 |
| | 110,827 | 118,436 |
| International By-Products Limited | | 579,458 |
| International By-Products B.V. | | |
| Promissory note | | 226,964 |
| Heathshore Realty Limited | | 14 |
| | \$110,827 | \$924,872 |

5. INCOME TAXES

The company's income from the sale of securities and income producing real estate is taxed at reduced rates. Dividend income is tax exempt. Accordingly, income taxes as provided in the consolidated statement of income are less than the amount obtained by applying statutory tax rates to income before income taxes.

Certain items of income and expense are recognized in time periods different for financial reporting than for income tax purposes. Full provision for income taxes is made using the tax allocation method and income taxes related to the following items are recorded as deferred income taxes on the consolidated balance sheet.

Deferred income taxes applicable to:

| | 1979 | 1978 |
|--|-------------|-------------|
| Special mortgage and bond reserve allowed under the Income Tax Act | \$1,005,000 | \$ 779,000 |
| Mortgage reserve on gain from sale of income producing real estate | 574,000 | 596,000 |
| Excess of capital cost allowance over depreciation provided in the accounts | 584,000 | 463,000 |
| Other items | 142,651 | 132,151 |
| | \$2,305,651 | \$1,970,151 |

6. CAPITAL STOCK

Authorized

1,300,000 Preference shares with a
par value of \$10 per share issuable
in series
6,500,000 Class A and Class B
interconvertible common shares
without par value

| | 1979 | 1978 |
|-----------------------|-----------|-----------|
| Issued | | |
| Class A common shares | 1,150,730 | 428,553 |
| Class B common shares | 1,450,156 | 2,172,333 |
| | 2,600,886 | 2,600,886 |

7. INTERNATIONAL BY-PRODUCTS LIMITED

On December 29, 1978 the company paid a special dividend of \$650,220 in the form of shares of International By-Products Limited on the basis of one share of International By-Products Limited for every five shares held of District Trust Company. The effect of the dividend was to fully distribute the shares of International By-Products Limited to the shareholders of District Trust Company

8. GUARANTEED TRUST ACCOUNT

Assets held for guaranteed deposits consist of:

| | 1979 | 1978 |
|-----------------------------|---------------|---------------|
| Cash and term deposits | \$ 7,915,181 | \$ 6,843,394 |
| Securities | 13,186,720 | 10,136,268 |
| Mortgages | 166,767,242 | 130,331,266 |
| Other loans and receivables | 3,850,741 | 1,637,997 |
| | \$191,719,884 | \$148,948,925 |

9. OTHER INFORMATION

(a) As a result of the 1975 amalgamation of District Trust Company and Shore to Shore Corporation Limited certain assets of the company do not meet the investment provisions of The Loan and Trust Corporations Act.

(b) The aggregate direct remuneration paid or payable to directors and officers as defined by The Loan and Trust Corporations Act was \$203,500 (1978, \$237,725)

(c) Included in expenses is depreciation amounting to \$221,878 (1978, \$244,197).

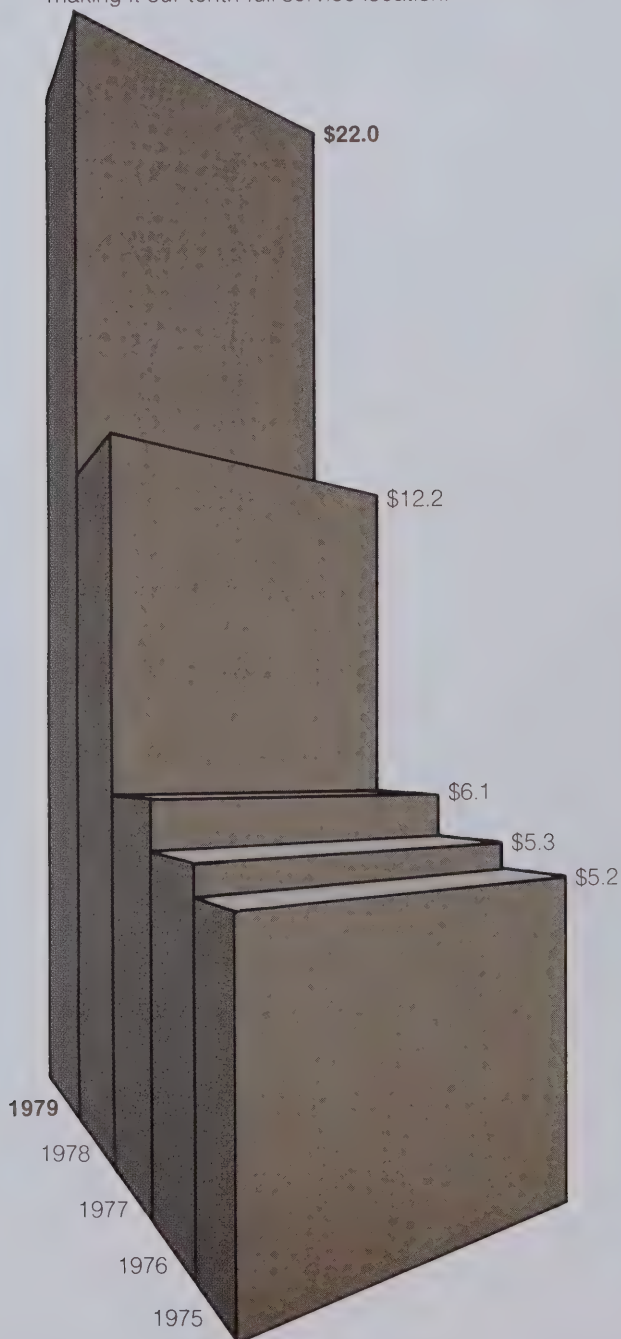




SAVINGS ACCOUNT DEPOSITS

(in \$ millions)

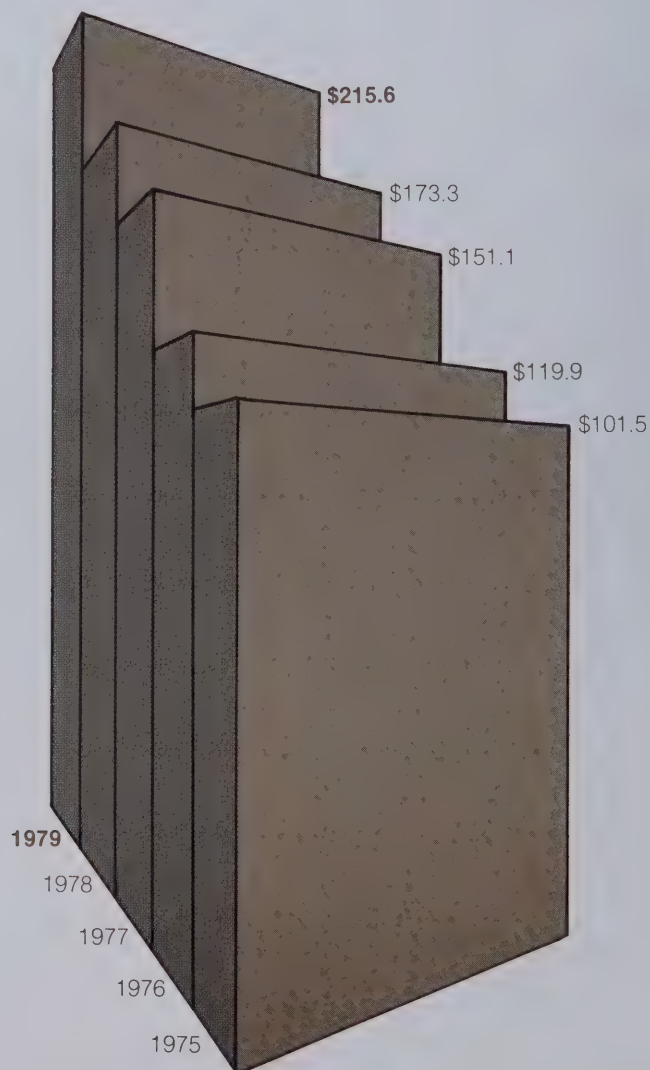
In November, 1977 we introduced our unique Super Savings daily interest account and our 55 Plus chequeable savings account. Since then, savings deposits have increased 360% to \$22 million. These deposits provide an excellent source of funds for personal loans, interim mortgages, and securities investments. We recently began to offer savings and chequing account services at our Toronto branch, making it our tenth full-service location.



TOTAL ASSETS

(in \$ millions)

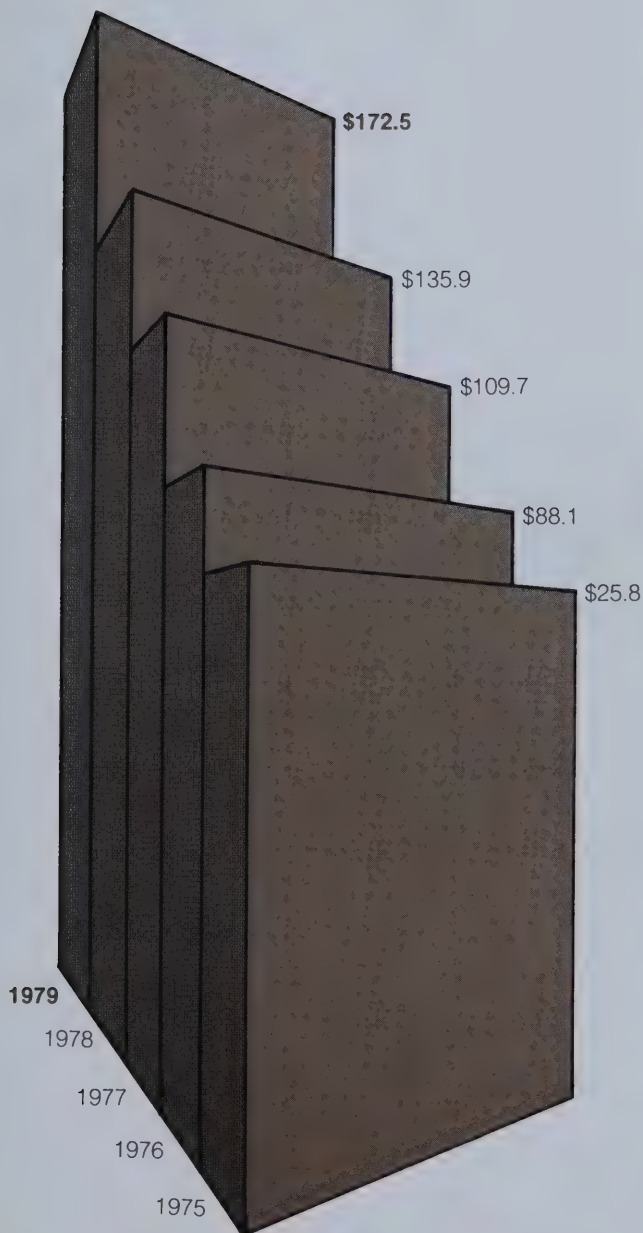
Total assets of \$215.6 million at October 31, 1979 were composed of mortgages, 80% (78% in 1978); personal loans, 2% (1% in 1978); cash and securities, 11% (11% in 1978); real estate, 6% (8% in 1978); and other assets, 1% (2% in 1978). Asset growth has averaged a compound rate of 20% for the past six years, resulting in a threefold increase in assets compared to 1974.



MORTGAGES

(in \$ millions)

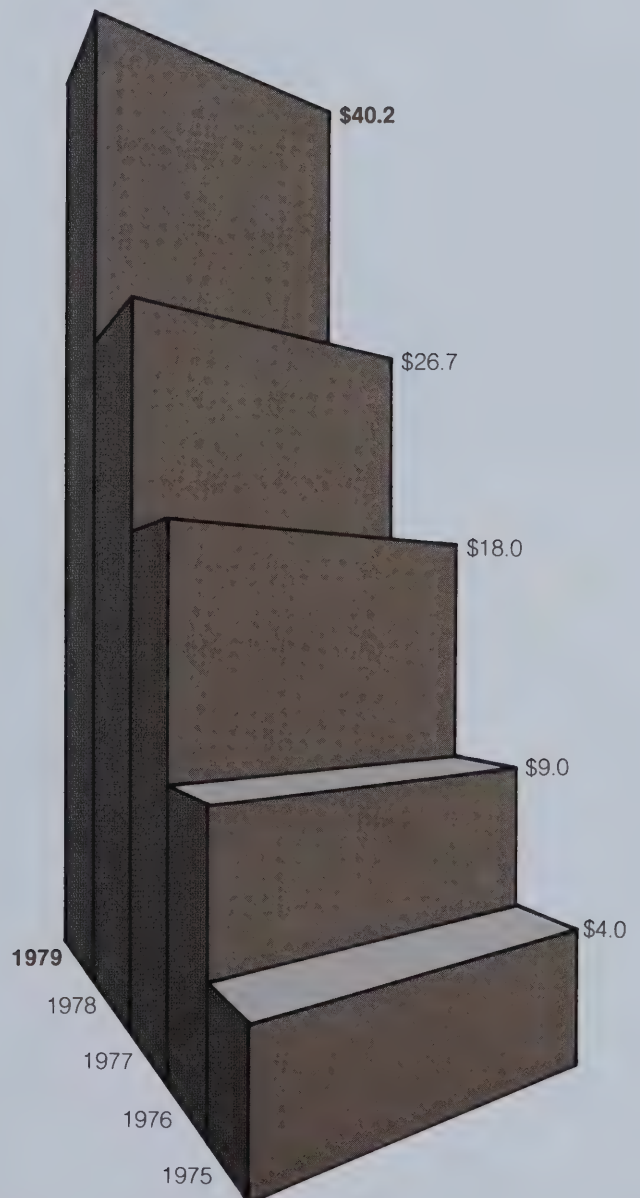
Mortgage loans provide District Trust with a profitable offset for our fixed term Guaranteed Investment Certificates and Retirement Savings Plan deposits. The careful matching of borrowing and lending maturities, coupled with steady portfolio growth, provides a stable profit core even during periods of rapid interest rate escalation such as these.



GUARANTEED RETIREMENT SAVINGS PLAN DEPOSITS

(in \$ millions)

The Guaranteed Fund of our Registered Retirement Savings Plan grew by 51% in 1979. Total deposits to the Fund have increased tenfold since 1975. This reflects the enthusiastic customer acceptance of the Guaranteed Fund's unique combination of guaranteed rate and liquidity. The Guaranteed RSP is also offered to groups, and, coupled with our Deferred Profit Sharing Plan, can be a pension plan alternative for smaller companies.



FINANCIAL HIGHLIGHTS

The value of our diversified asset holdings and conservative approach to intermediary activities is reflected in the Consolidated Statement of Income; "Income before extraordinary item" (sale of real estate assets) increased by 24% vs 1978, to \$1,281,457, despite unprecedented increases in the cost of money. In fact, if District's equity in the net income of International By-Products Limited for 1978 is excluded from the comparison, then the income before extraordinary item in 1979 is fully 50% higher than in 1978.



Net interest and dividend income increased by approximately 7%, despite asset growth of 24%. This reflects the usual "squeeze" on profit margins that results during periods of increasing interest rates and declining loan demand. Total non-interest operating expenses actually decreased slightly in 1979 vs 1978; this was due to reduced investment property expenses as a result of 1978 real estate sales, and to cost control efforts.

Our stock and bond investments are made to produce both dividend revenue and capital gains. Gains on sales of securities increased 124% vs 1978, to \$940,150. During 1979 the securities portfolio was increased by \$3 million, and at October 31, 1979 its composition was stocks, 72%, and bonds, 28%. Further investments are planned. Stock dividends, particularly from preferred shares, provide an attractive after-tax yield; stocks are therefore a suitable investment vehicle for some of our demand deposit borrowings.

Mortgage losses of \$95,000 were sustained in 1979. These write-offs recognized all actual and anticipated losses as at the year end. Loan arrears situations were actually reduced in number during 1979, against the industry trend, reflecting the overall quality of our mortgage loan portfolio.

As described in Note 7 to the financial statements, International By-Products Limited, a former subsidiary company, was distributed to District Trust shareholders in December 1978 by means of a stock dividend. As a result, the income of International now accrues directly to District Trust shareholders via their ownership of International shares, and no income is shown on the consolidated District Trust statements for 1979.

Our wholly owned subsidiary, District Development Corporation Limited, sold three properties in 1979. The net profit accrued since December 1975 is shown as an extraordinary item of \$153,555 on the Statement of Income. The remaining \$46,455 profit is shown as a transfer from "Excess of appraised value of real property over depreciated cost" to "Retained earnings".

Earnings per share were 55¢ in 1979 vs 94¢ in 1978, due to the very sizeable gains on the sale of real estate in 1978.



OFFICES

Head Office

383 Richmond Street
Suite 1414
London, Ontario

434-6013

LONDON (2 Locations)

150 Fullarton Street
Covent Market Building

672-0610

434-6024

STRATHROY

26 Front Street

245-1090

GUELPH

Wellington and Gordon Streets

821-2160

ELMIRA

24 Arthur Street S.

669-5186

KITCHENER

259 King Street W.

579-4020

TORONTO

20 Duncan Street

868-6550

(977-9770 after March 15, 1980)

BRANTFORD

233 Colborne Street

753-4105

PORT COLBORNE

43 Clarence Street

835-2555

PORT ELGIN

620 Goderich Street

832-9015

WALKERTON

301 Durham Street E.

881-3700

OWEN SOUND

854 2nd Avenue E.

376-0600

SERVICES

Mortgage Loans

Personal Loans

Guaranteed Investment Certificates

Chequing Accounts

Savings Accounts

Super Savings Accounts

55 Plus Accounts

Registered Retirement Savings Plans

Deferred Profit Sharing Plans

Registered Home Ownership Savings Plans

Property Management

Trustee-Corporate and Personal

Estate Planning

Prepaid Deposit by Mail

Safety Deposit Boxes and Safekeeping

Executor and Administrator Services

Auditors

Thorne Riddell & Co.

Bankers

Canadian Imperial Bank of Commerce

Transfer Agent and Registrar

The Canada Trustco Mortgage Company

110 Yonge Street, Toronto, Ontario

Solicitors

Mackay, Kirvan, Guy, Barristers and Solicitors

Shares listed on the Toronto Stock Exchange



*Front Cover: Evening hours at our Fullarton Street, London branch.
Back Cover: Fullarton Street, daytime.*